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## MEMORANDUM

SUBJECT: The Vietnamese Settlement and Sino-Soviet Relations

1. The Vietnam settlement will not bring any improvement in Sino-Soviet relations. Rather it will intensify and spread the competition between Moscow and Peking not only in South-east Asia but--more importantly--with the US. The net result will be to increase US leverage in both Communist capitals.

2. In Indochina, the policies of the USSR and China will be designed to prevent the other from gaining a dominant position in the region in the aftermath of the war. Neither can expect to gain a leading role in Hanoi, which maintained its independence even when it sorely needed military aid and had *few* economic supporters. Nevertheless, neither will feel that it can leave the field to the other. In their efforts to curb the other's chances, both are likely to see advantages in a US presence in Hanoi; Izvestiya has already made it clear that the USSR would welcome the establishment of diplomatic relations between the US and the DRV.

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3. In Laos and Cambodia, the Chinese are better positioned than the Soviets, who can therefore be expected to back solutions which check the growth of Chinese influence. In Cambodia this means supporting whomever gives most promise of keeping out Sihanouk. In Laos it may lead the USSR to align itself behind the North Vietnamese.

4. Both parties, however, share an interest in keeping the level of local conflict in Indochina fairly low in the immediate future. They will not want problems in the area to reach proportions which lead to new international crises. This gives them each an interest in limiting the flow of arms to the area, including to North Vietnam.

5. We expect Sino-Soviet competition to heat up in Southeast Asia. The end of the fighting opens the way for Chinese diplomatic advances in Thailand, Malaysia, and neighboring countries. In response, the Soviets are reviving their vague proposal for Asian collective security, which at least serves to remind the Asians that, if US commitments are reduced, there remains an alternative to accommodation with Peking. Moscow may also seek to push India forward as a counterweight to China.

6. On the larger world scene, Moscow and Peking will view the settlement as removing a major obstacle in their bilateral relations with Washington. Each will also be aware, however, that it must share this advantage with its rival, and each will be suspicious that the other is making better use of it. The Soviets will conclude from the US-PRC communique of 22 February that the US and China have moved past the Taiwan problem and are developing close relations on, despite disclaimers, an anti-Soviet basis. The Chinese will worry that, with Vietnam removed from center stage, projects of Soviet-US cooperation will now multiply. The result will be to intensify their struggle for advantage in the greater power centers of the world--Japan and Europe, but above all in the United States.